

**MINUTES OF MEETING #409**  
**BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS**  
**ANNUAL MEETING APRIL 20, 2017 AT 10:00A.M.**  
**1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the Annual Meeting of the Board of Trustees held on April 20, 2017, the following members were present: David Adams, John Chilton, William Cook, John Farris, Thomas Elliott (non-voting), JT Fulkerson, David Harris, Vince Lang, Keith Peercy, Betty Pendergrass, Mary Helen Peter, Jerry Powell, Neil Ramsey, David Rich, Secretary Thomas Stephens, and Randy Stevens. Staff members present were David Eager, Karen Roggenkamp, Rebecca Stephens, Rich Robben, Mark Blackwell, Connie Davis, Shawn Sparks, Katherine Rupinen, Jennifer Jones, Joseph Bowman, Shaun Case, Ann Case, Alane Foley, Erin Surratt, and Leigh Taylor. Also present were Melvin Schafer, Larry Totten, Marie Bruce, Jean Roeder, Jim Carroll, Eva Smith-Carroll, Dan Flaherty, Damian Stanton, Terry Minuth, Doug Price, Dianne Andrews, Rebecca Heckler, Michelle Hill, Jana Smith, Jodi Whitaker, Karen Hobson, Patty Smith, Tom Loftus, Teresa Sanders, Chris Biddle, Steve Starkweather, and Collin Johnson.

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Mr. Farris called the meeting to order. Ms. Taylor as Notary administered the Oath of Office to Mr. Powell. Mr. Powell and Ms. Pendergrass were welcomed to the Board and provided brief introductions.

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Mr. Farris introduced agenda item *Approval of Minutes – September 15, 2016*. Sec. Stephens moved and was seconded by Mr. Adams to accept the minutes as presented. The motion passed unanimously.

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Mr. Farris introduced agenda item *Election of KRS Board of Trustees Offices Chair and Vice Chair* and turned the proceedings over to Mr. Eager. Mr. Cook nominated Mr. Farris for position of Chairman and was seconded by Mr. Harris. As there were no other nominees, Mr. Farris was elected by acclamation. Mr. Farris nominated Mr. Harris for position of Vice Chairman and was seconded by Sec. Stephens. As there were no other nominees, Mr. Harris was elected by acclamation.

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Mr. Farris introduced agenda item *CERS Summer/Fall Candidate Nominations*. Ms. Davis outlined the nomination procedure for the Board. Ms. Pendergrass moved and was seconded by Mr. Stevens to place Mr. David Rich and Mr. Terry Minuth on the ballot. The motion passed unanimously.

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Mr. Farris introduced agenda item *Cessation Applications*. Mr. Lang moved and was seconded by Ms. Peter to approve Kentucky Employers Mutual Insurance's cessation application from KRS. The motion passed by majority, abstaining were Mr. Farris, Mr. Harris, and Sec. Stephens. Mr. Cook moved and was seconded by Ms. Peter to approve Commonwealth Credit Union's cessation application from KRS. The motion passed unanimously.

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Mr. Farris introduced agenda item *Audit Committee Report*. Mr. Chilton and Ms. Davis provided the update from the May 4, 2017 meeting. Sec. Stephens moved and was seconded by Mr. Harris to ratify the action of the Audit Committee. The motion passed unanimously. Mr. Ramsey moved and was seconded by Ms. Pendergrass to approve entering into a contract with Dean Dorton Allen Ford PLLC to provide external audit services for fiscal years 2017, 2019, and 2020 with a three year option to renew, upon agreement of switching the partners on the audit. The motion passed unanimously. Mr. Stevens moved and was seconded by Ms. Peter to accept the External Auditor's certification letter of the winners of the CERS Winter/Spring Board election and declare the election final. The motion passed unanimously.

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Mr. Farris introduced agenda item *Investment Committee Report*. Mr. Harris and Mr. Robben reviewed action and performance items from the previous quarter Investment Committee meetings. Mr. Powell moved and was seconded by Mr. Ramsey to accept the actions of the Investment Committee. The motion passed unanimously. Ms. Pendergrass moved and was seconded by Mr. Adams to accept entering into a contract with Gabriel Roder Smith & Co. to provide annual actuarial valuation and consulting. The motion passed unanimously. Ms. Peter moved and was seconded by Ms. Pendergrass to accept entering into a contract with Milliman to

provide an audit of the Fiscal Year 2016 actuarial economic assumptions. The motion passed unanimously.

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Mr. Farris introduced agenda item *Participation of Hazardous Positions – City of Pikeville*. Ms. Roggenkamp provided a detailed review of the submission. Ms. Pendergrass moved and was seconded by Mr. Lang to approve the Commissioner of Public Safety position based on representations made by the City of Pikeville applications. The motion passed unanimously.

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Mr. Farris introduced agenda item *Internal Conflict of Interest Statement*, the statements are signed annually and filed at KRS. This item was presented for informational purpose only,

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Mr. Farris introduced agenda item *Legislative Update*. Mr. Eager reviewed the KRS related bills and their impacts for the Board. This item was presented for informational purpose only.

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Mr. Farris called for a short break and the meeting was suspended. Following the break, Mr. Farris called the meeting back into order and introduced agenda item *Other Business*. Mr. Farris requested Trustees provide feedback by early May regarding the Executive Director search. Ms. Roggenkamp provided status updates on the outstanding RFPs and fiduciary liability insurance. Ms. Rupinen recapped the Conflict of Interest Complaint and the requirements to vote on the complaint. Mr. Stevens moved and was seconded by Mr. Rich that based upon presented evidence and the response of the Executive Branch Ethics Commission the issue should be presented to the Board to be dismissed without further action. The motion carried by majority with Mr. Lang and Secretary Stephens abstaining. Mr. Eager noted the inclusion of the KRS Annual Progress Report and Service Recognition Awards in the Board packets.

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There being no further business, the meeting adjourned at 11:43 a.m. to meet on May 18, 2017 or upon the call of the Interim Executive Director or the Chair of the Board of Trustees.

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Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees as of April 20, 2017.

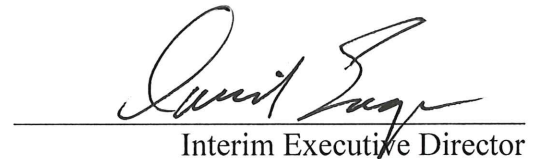
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## CERTIFICATION

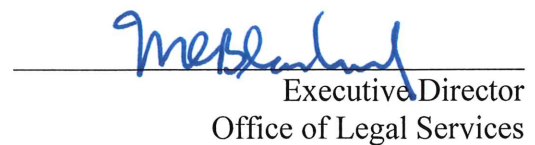
I do certify that I was present at this meeting, and I have recorded the above actions of the Directors on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

  
Recording Secretary

We, the Chair of the Board of Directors of the Kentucky Retirement Systems and Executive Director of the Kentucky Retirement Systems, do certify that the Minutes of Meeting Number 409, held on April 20, 2017, were approved on May 18, 2017.

  
Chair of the Board of Directors  
Interim Executive Director

I have reviewed the Minutes of the April 20, 2017 Annual Board of Trustees Meeting for content, form, and legality.

  
Executive Director  
Office of Legal Services